Labour Market

NOTES ■ November 2013

Alberta employment growth takes a breather

Alberta

- Unemployment rate rises slightly. Alberta's unemployment rate increased by 0.1 percentage points to 4.4% in October over September. The increase was due to modest employment gains and a growing workforce.
- Employment largely unchanged. Alberta gained a modest 700 positions in October. This is a marked slowdown from the average pace of 11,000 per month over the previous six months. All of the jobs created were part-time positions (+22,000) as the number of full-time position declined by 21,300.
- Year-over-year job growth remains strong. Alberta has gained 74,800 jobs since October 2012, recording the highest growth rate among the provinces at 3.5%. For the first time since February, October's year-over-year employment growth slowed.
- Goods sector drives job growth. Goods sector employment gained 14,800 jobs, led by the construction industry (+11,900). By contrast the service sector lost 14,100 jobs, led lower by the professional, scientific and technical industry (-8,500).
- Weekly earnings post modest increase. Average weekly earnings increased to $1,118 in August, which is 1.4% higher than the same month last year.

Canada

- Canadian job growth remains weak. Employment increased by a modest 13,200 in October, led by the service sector and in particular, gains in healthcare and social assistance. Regionally, Quebec (+34,100), Newfoundland (+4,000) and Saskatchewan (+2,300) posted the largest increases. Canada has gained 213,800 jobs (+1.2%) since September 2012.
- Unemployment rate unchanged. The Canadian unemployment rate held steady at 6.9% in October, the lowest rate since December 2008.
- Earnings inch up. Canadian average weekly earnings were $918 in August, a slight increase over July, and a modest 1.3% gain over the same month last year.

For definitions of the data indicators discussed in this publication, please see the second page of August 2012's Labour Market Notes

Employment Growth by Province, Oct. 2013 vs. Oct. 2012

Source:Statistics Canada

Alberta Labour Market Indicators

Indicator	October or Latest*
Employment	2,237,100
month-over-month change	700
year-over-year % change	3.5%
Alberta Unemployment Rate (UR)	4.4%
Edmonton UR**	5.2%
Calgary UR**	4.7%
Participation Rate	73.5%
Average Weekly Earnings (AWE)	$1,117.58
year-over-year % change	1.4%
Average Hourly Wage	$28.08
year-over-year % change	2.1%
Job Vacancy Rate**	2.6%

Source: Statistics Canada

* All data is from the Labour Force Survey for October except AWE, which is from the August Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate from July.

** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

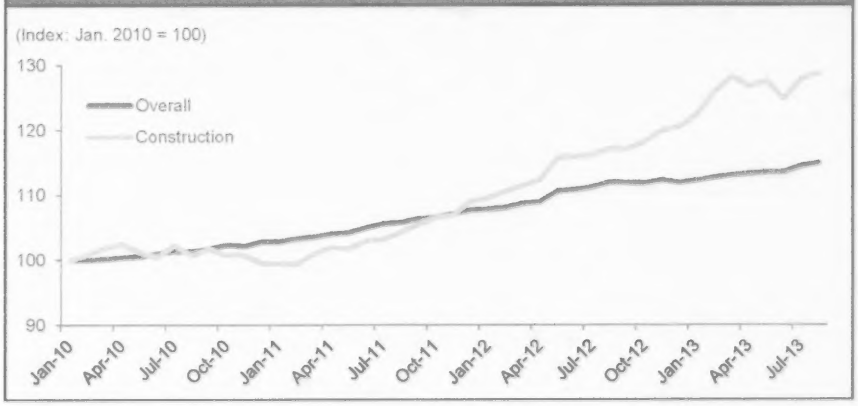
Construction industry posting robust gains

Construction has been one of the strongest performing industries over the last two years in Alberta's labour market, posting solid growth in both jobs and earnings.

Jobs in construction soar

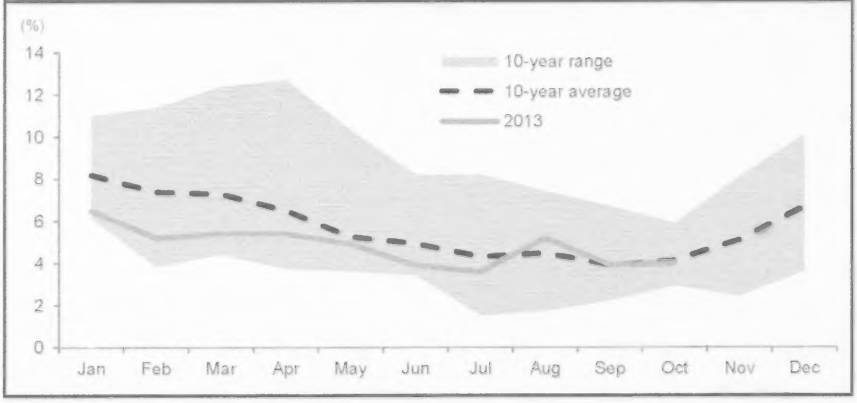
The Labour Force Survey (LFS) shows that employment growth has continued in the construction industry in 2013, but not at the same elevated rate recorded in 2012. Looking at the employment data in the Survey of Employment, Payrolls and Hours (SEPH) reveals a somewhat different picture; robust employment growth in the construction has persisted into 2013, and that construction is leading all major industries in 2013 job growth (Chart 1). The advantage of the SEPH over LFS is its much larger sample size and more detailed industry-level detail. The major drawback of SEPH, however, is that it is not as timely as the LFS (it comes out more than a month later than the LFS), and does not capture self-employment.

Chart 1: Alberta Employment Growth*



Source: Statistics Canada
* Based on SEPH

Chart 2: Alberta's Construction Industry Unemployment Rate*



Source: Statistics Canada
* Based on LFS

According to SEPH data, which also tends to be less volatile than the LFS, construction employment growth is up 11.3% year-to-date as of August compared to 3.4% for all industries. Roughly half of the growth is related to heavy engineering and non-residential construction, much of which is energy related. Flood reconstruction and a surge in in-migration, which has increased housing demand, are also supporting the industry.

The size of Alberta's construction industry relative to the rest of Canada is also noteworthy. The construction industry in Alberta constitutes 9.8 per cent of industry employment versus 5.4 per cent in the rest of Canada according to SEPH data. This gap can mostly be attributed to the number of heavy and civil engineering construction jobs in the province.

Industry's unemployment rate nears 10-year low

The SEPH survey does not provide the information needed to construct the unemployment rate. For this, the LFS is consulted. While not at levels at the height of the 2004-2008 boom, the industry's unemployment rate has been under the 10-year average for most of 2013 (Chart 2).

High earnings growth

Average weekly earnings in the construction industry is up 6.4 % on a year-to-date basis through August, far higher than the provincial industry average of 3.3%. This aggregate number masks the impact of the heavy engineering construction sub-group, which saw especially strong growth in hours worked and hourly wages earned.

Conclusion

Labour market conditions in the construction industry remain strong, reflecting high levels of energy investment, record in-migration and, more recently, flood reconstruction.

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